



# EXPERIENCE AND TRUST IN LENDING



## EMAC

MORTGAGE FUND LLC

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EMAC MORTGAGE FUND, LLC

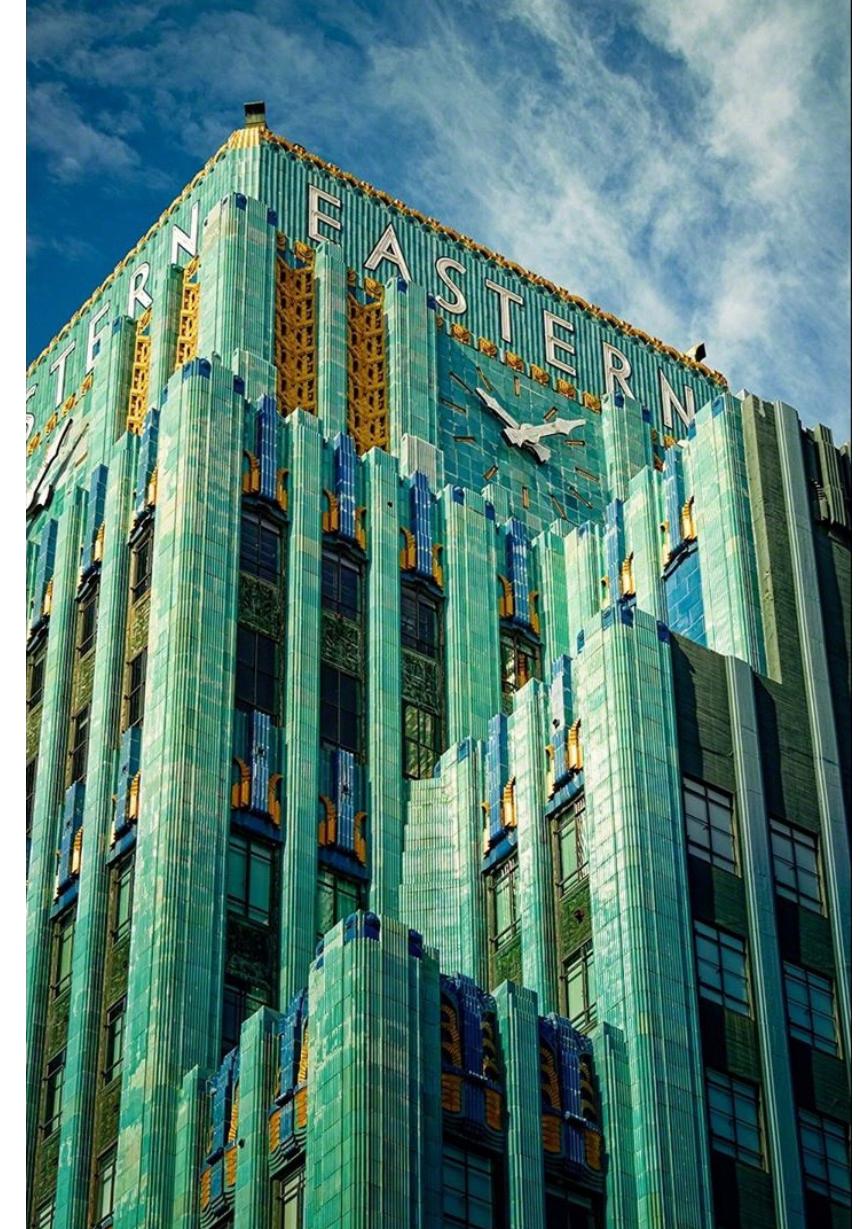
# EXECUTIVE SUMMARY

EMAC Mortgage Fund, LLC is a California limited liability company managed by Creative Capital Group, Inc., a California corporation. The LLC will engage in business as a mortgage lender for the purpose of making loans to the general public, and acquiring existing loans, primarily secured by deeds of trust and mortgages on real estate throughout the United States. Through these activities, the objective of the LLC is to generate steady cash returns, not capital appreciation from holding and operating real estate assets. The LLC is offering Membership Interests which represent a financial interest in future mortgages to be made by the LLC.

## **The Offering:**

EMAC Mortgage Fund, LLC originates small balance real estate loan assets

- **Offering:** Membership Interests and secured short-term debt positions
- **Preferred Rate:** 8.875% for 2025
- **Target Return:** 9-11% Per Annum
- **Secured Short-term Debt Offering:** 7 to 8.25% and up to 6-12 months term
- **Minimum Purchase:** \$50,000 (25 Units)
- **Maximum Offering Raised:** \$50 million



EMAC's Los Angeles office, the historic Eastern Columbia Building

# MEET THE MANAGER



## **Matthew ('Matt') Murphree, Fund Manager**

For the last 20 years, Matt has run his Mortgage Lending business as an entrepreneur in southern California where he has lent over \$200 million in small balance, Private Money and Portfolio loans. After 17 years of providing an impeccable lending record to his investors, he established Emac Mortgage Fund, LLC. The idea of this mortgage fund is to give investors a diversified option and allow smaller investors to get involved in the lucrative investment of Private Lending.

Prior to Emac Financial, Matt achieved Executive level leadership roles with multiple companies, including Weyerhaeuser Mortgage Company as a Regional Vice President for the Non-Prime division out of Chicago and Senior Vice President/National Sales Manager for Ocwen Financial Services in Palm Beach, Florida in the Non-Prime Lending Unit. He brings 30 years of National Credit Risk lending experience to this platform.

Matt is originally from the San Francisco Bay Area. He graduated from San Francisco State University with studies in Economics and Mathematics. He proudly served as President of the Seal Beach Chamber of Commerce, is a member of the Seal Beach Lions Club, and supports a variety of other non-profits.

# ADVISORY TEAM



## **Lorette Murphree, Custodian Officer**

Lorette is a real estate and lending professional, a native of the Netherlands who studied Communication and Art at Northwestern University on a field hockey scholarship and moved to southern California in the early 1990's. Now a long time Seal Beach resident, she has worked in diverse roles since 1992, first on the finance and lending side and adding real estate a few years later. She has focused solely on residential and commercial real estate since 2013, currently heading up an innovative, boutique real estate firm located in Seal Beach, which covers the greater Los Angeles and Orange County regions. Clients appreciate Lorette's disciplined approach to searching for and obtaining properties and investment portfolios, marketing, negotiating, design, project management and detailed personal guidance and education, stemming from her international background, her education and her years of mortgage and real estate experience. Her remarkable sales numbers over the past two decades have given her a track record in negotiating smooth and profit-driven transactions, home sales, purchases and lending.

## **Ronald Bergum, Chief Retail Growth Officer for Guaranteed Rate, Inc.**

Ron Bergum heads up the Retail Growth division of Guaranteed Rate Inc., one of the largest retail loan originators in the US. Bergum is past President of the Southwest Division of Amerifirst Home Mortgage, a division of Amerifirst Financial Corp. He has a track record of establishing solid business foundation and building it into an industry leader and doing so in an often volatile and challenging industry. Bergum has held numerous executive level positions in the mortgage industry. He was named CEO of Prospect Mortgage, LLC, in 2009, and has served as Managing Partner of Prospect since June 2014. Prior to joining Prospect, he served as Co-CEO of Indymac Bank's Retail Lending Group and Executive Vice President of Production and Sales for the Western Retail Division of American Home Mortgage, which he joined through the acquisition of Marina Mortgage in December of 1999. At Marina Mortgage, he held the position of President and Treasurer. Prior to Marina Mortgage, Bergum served as Senior Vice President of Plaza Home Mortgage. He holds a B.S. in Real Estate Financial Services from San Diego State University.

EMAC MORTGAGE FUND, LLC

# PROFESSIONAL SERVICES TEAM



**Duner and Foote** is a full-service CPA firm based in Orange County. The firm was started by Mr. David Duner over 30 years ago and is currently operated by Mr. Derrick Foote as Mr. Duner's successor. Our firm specializes in the private money industry. We assist our clients in the private money industry with various value add services which include bookkeeping, DRE reporting, tax consulting and financial statement audits.

Duner and Foote is committed to providing close, personal attention to its clients and takes pride in giving clients the assurance that the personal assistance provided comes from years of advanced training, technical experience and financial acumen. Duner and Foote's continual investment of time and resources in professional continuing education, state-of-the-art computer technology and extensive business relationships is indicative of the firm's commitment to excellence.



**FCI Lender Services, Inc. (FCI)** is a leading national Private Money Servicer providing a variety of services for Lenders of any size, and is also one of the nation's oldest Specialty Loan Servicers. FCI has the distinction of being a national Servicer that is Rated by Fitch, with SOC 1 (SSAE 16) and MBA USAP audits assuring reviewed Compliance and Servicing Processes for your safety. Clients include Individuals, Private Money Investors, Non-QM Lenders, Investment Companies, Private Money Brokers, Hedge Funds, Credit Unions and Banks.

FCI is a California corporation founded in 1982 to offer California Foreclosure Processing and Loan Servicing to Mortgage Brokers and Private Investors. FCI grew rapidly through the acquisition of Loan Servicing and Foreclosure companies, including the transfer of over 2,000 private loans from Mercury Savings & Loan in 1988, and acquiring the Private Investor Division of Aames Home Loans with over 3,000 Private Investors in 1998. In 2002 FCI began expanding nationally and dramatically increasing its array of services for Private Investors, Hedge Funds, and Investment LLCs.



**Geraci Law Firm, LLP** Geraci Law Firm is the nation's largest law firm dedicated almost exclusively to the private/non-conventional lending space and is the leading legal resource for specialty lenders, asset-based lenders, private lenders, and non-bank institutions. Our legal departments include Banking & Finance, Corporate & Securities, and Litigation & Bankruptcy, offering lenders a vertically integrated suite of services while our Geraci Conference Line provides networking and educational opportunities to the industry at large.



EMAC MORTGAGE FUND, LLC TARGETS

# SMALL BALANCE OPPORTUNITIES

→ Residential 1-4 units

→ Commercial Property (including apartments, stores, office buildings, etc.)

→ Buildable Lots

→ Residential Short Term (12 months or less)  
Fix and Flip

## STRUCTURE

Regulation D, Rule 506(c) offering: Membership Interest in EMAC MORTGAGE FUND, LLC

Rule 506(c) falls under Regulation D of the Securities Act and is an exemption from SEC registration for the offering of securities that allows a business to use general solicitation to attract investors. Investors in a 506(c) offering must be accredited investors who meet certain financial requirements that are reasonably verified by the offering company prior to sale.

# STRATEGY AND OPERATIONS OF THE LLC

## **The Offering**

The LLC was formed by Creative Capital Group, Inc., a California corporation, that serves as the Manager of the LLC, to provide Investors with a real estate lending investment vehicle that seeks to deliver steady cash flow returns.

Investors in the LLC will be admitted as Members of the LLC and will receive units of Membership Interests in the LLC.

The LLC was designed to deny the Manager any share of the profits of the LLC unless and until it achieves the Preferred Return, a feature intended to motivate the Manager to focus on the bottom line.

## **No Load**

The Manager is seeking to capitalize the LLC with approximately \$50 million of capital commitments.

The LLC was designed with no "front end load," meaning other than eventually reimbursing the Manager for formation expenses, cash reserves and operating expenses, 100% of the remaining invested capital will be deployed in mortgages.

## **Low Overhead**

The LLC was also designed to keep expenses at a minimum. No portion of the Manager's overhead will be allocated to the LLC, although it will pay its own expenses for accounting, audit, legal, tax return preparation, loan commissions, borrowing costs, loan servicing and collection costs and LLC taxes. While the LLC will pay the Manager an Asset Management Fee each month, out of that fee the Manager will bear all executive management and other personnel compensation and all other overhead, such as rent, utilities, insurance, postage and office supplies.

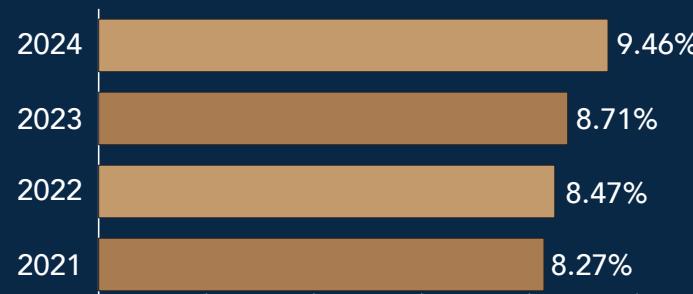
Fund administration is conducted by FCI Lender Services. All payouts and distributions are conducted by Fitch rated FCI on a monthly and quarterly basis.

## **Holding Title**

The investments by the LLC will all be secured by deeds of trust or mortgages on real estate. The LLC will be vested on every promissory note and deed of trust or mortgage it owns.

# OUR SUCCESS FACTORS

## Annual Returns to Investors



## Approach

The Manager's team is comprised of real estate professionals with long-term business and management experience. They are dedicated to placing the LLC first in all aspects of their decisions.

## LLC'S Goals

Generate steady returns for Investors without undue risk.

## Diversification

The LLC will attempt to diversify its portfolio both as to the number of borrowers it has but also the geographical location and asset class of the properties that secure its loans.

## Limited Capital Exposure and Risk Period

The LLC will target average loan amounts of \$100,000 - \$1,500,000 with a 6 month to 30-year term; however, loans for a term of more than 5 to 10 years will usually have an adjustable-rate feature, thereby mitigating exposure to fluctuating interest rates. Most loans will have a term between 6 and 36 months.

All loans and acquisitions are modeled with a downside risk analysis. After the LLC has raised \$10 million or more, no single loan will exceed 10% of the LLC's capital.

## Reporting

The Manager intends to create and maintain strong internal controls and risk management procedures, which include the downside risk analysis referred to above and portfolio tracking.

# OUR LENDING PROGRAM FOCUSSES ON 3 AREAS:

1

Loans will be made for the acquisition, rehabilitation, or refinance of residential or commercial real estate, or loans may finance land if it has been subdivided into buildable lots.

2

Underwriting must meet specific risk tolerance parameters.

3

When the situation is appropriate, the LLC may participate in joint ventures with borrowers involving real estate projects in lieu of or in addition to providing financing.





EMAC MORTGAGE FUND, LLC

# OUR LENDING CRITERIA

## Product Types

- Single Family Homes for acquisition, construction, refinance and rehabilitation;
- Multiple Unit Residential Property for acquisition, construction, refinance and rehabilitation;
- Commercial Property for acquisition, refinance, construction and rehabilitation; and
- Subdivided residential or commercial buildable lots.
- Multi-state cross collateral

## Priority of Mortgages

Primary lien securing each LLC loan will be a first or junior deed of trust or mortgage

## Terms of Loans

Most LLC loans will be for a period of 1 to 30 years, with most in the range of 6 to 36 months

## Interest Rates as low as 8.99%

Most LLC loans will provide for interest rates comparable to mortgage rates prevailing in the geographical area where the security property is located.



## Loan to Value Ratios

- Commercial Property (including apartments, stores, office buildings, etc.): 65%
- Buildable Lots: 50%
- Residential Short Term (12 Months or Less) Fix and Flip: 75%

# OTHER LENDING CRITERIA



## Small Balance Lending

The Fund makes loans from \$100k to \$1.5 million on small balance real estate loans. Our sweet spot are loans between \$350k to \$750k. These loan amounts present a lower risk index for the Fund.

## Fractional Interests

The LLC may also participate in loans with other lenders (including other limited liability companies organized by the Manager), by providing funds for or purchasing a fractional undivided interest in a loan meeting the requirements set forth above. The Manager will treat the LLC equally with all other limited liability companies and other entities controlled by the Manager when making such fractional loans.

## Purchase of Loans from Affiliates

Existing loans may be purchased from the Manager or its Affiliates for an amount not exceeding the amount owed thereon, only so long as any such loan is a performing loan and otherwise satisfies all of the foregoing requirements. The LLC may purchase loans from unrelated parties at prices and terms advantageous to the LLC.

EMAC MORTGAGE FUND, LLC

# OFFERING DETAILS

## Sources

**Equity Investment:** \$50 million

**Total Source:** \$50 million

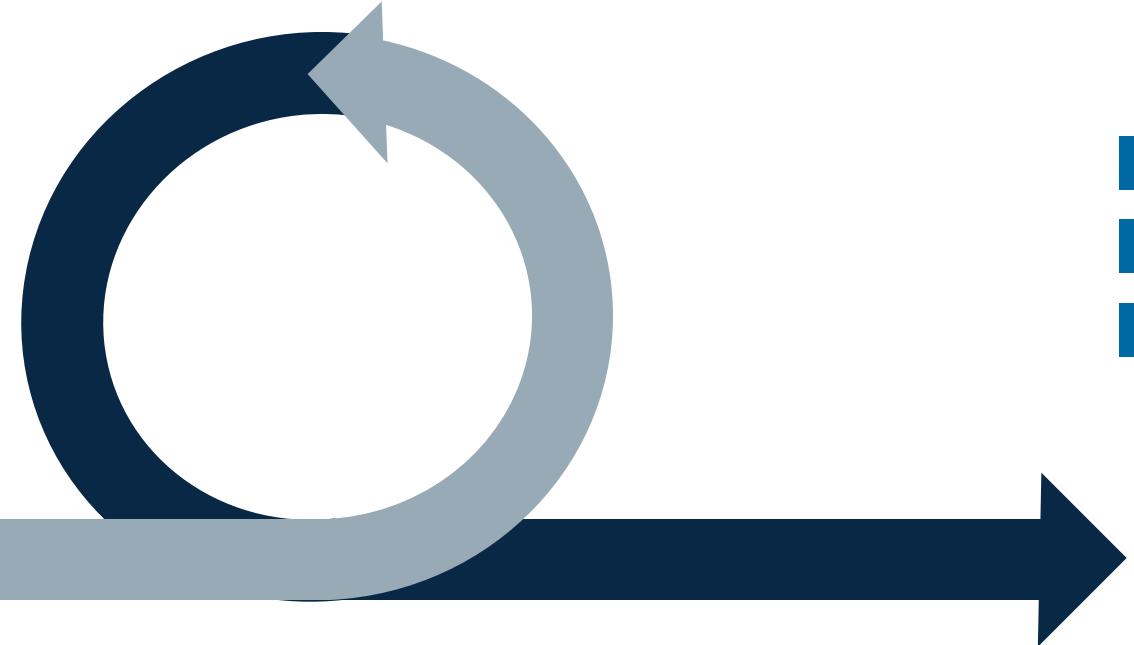
## Uses

**Loans to Borrowers\*:** \$5 million in Portfolio

\*Details provided in Exhibit D.



# SUCCESSSES TO DATE



**The Manager has funded over \$200 million small balance Portfolio and Private Loans in the last 20 years.**

**The Manager has accomplished the following that it believes will help position the LLC for success:**

- In business since 1999 and successfully managed through the financial crisis that began in 2008.
- Over \$1 billion in Mortgage Loans since 2000.
- Strong investor retention and loyalty.
- Delivered a high yielding Trust Deed loan program to individuals, private equity, and institutional Investors.
- Created and delivered standards and procedures to support company operations and Investor communication together with third party loan services and loan reporting.
- Developed efficient investment analysis procedures and industry research capabilities.

EMAC MORTGAGE FUND, LLC

# OUTLINE OF POTENTIAL RISKS

## → Risks Related to Members' Investments

All real estate lending investments are speculative in nature and the possibility of partial or total loss of capital exists.

There is no assurance that the LLC will be successful in producing any profits or even in returning any capital to any Investor or Member.

## → Risks Related to Real Property Lending

The LLC's profitability depends on the ability of our non-prime borrowers to repay their loans, which may be affected by local, regional, and national real estate market and economic conditions beyond the control of the LLC.

Favorable real estate and economic conditions may not necessarily enhance a borrower's ability to repay due to circumstances specific to a borrower and beyond the LLC's control.



## Risks Related to the Lack of Diversification

The LLC intends to fund loans on all property types but shall focus on properties in California.

The LLC's investments will, therefore, not have the geographic diversification present in certain other types of investment programs and the lack of diversification may increase the LLC's exposure to adverse local real estate, economic, and market conditions and other risks, such as natural disasters or acts of terrorism.



## Risks Related to Loan Defaults and Foreclosures

The loans made by the LLC are secured in whole or in part by real estate and therefore bear the risk of defaults by borrowers.



## Risks Related to Volatile Interest Rates

Because the LLC intends to include an adjustable-rate feature in loans over 5 to 10 years in duration, the LLC will be subject to the level and volatility of short term and long-term interest rates affecting the lending industry.



## Risks Related to the LLC's Business and Competition

The business of real estate lending and investing in real estate within the LLC market area is highly competitive and the LLC may be competing with a number of other lenders, investors, and developers.

Because these other competitors may have greater financial resources and/or more experience in making the types of loans and investments that the LLC intends to make, the LLC may not be able to compete successfully against existing or new competitors.

If the LLC is unable to respond adequately to competitive challenges, its business and results of operations would be harmed.



# CLOSED TRANSACTIONS

## Property 1

<b>Loan Amount</b>	\$300,000
<b>Interest Rate</b>	10.5%
<b>CLTV</b>	32%
<b>Loan Term</b>	2 Years
<b>Location</b>	Main Street Seal Beach, CA



## Property 2

<b>Loan Amount</b>	\$1,875,000 (fractional investment)
<b>Interest Rate</b>	10.5%
<b>LTV</b>	48%
<b>Loan Term</b>	3 Years
<b>Location</b>	Temecula, CA



## Description

This is a line of credit to high quality borrowers on a prime property in the beach community of Seal Beach. The rents on the property are 4 times the mortgage payments, taxes and insurance.

## Description

New 1st TD to accommodate a PACE Construction loan where the owner is improving the property for anchor tenants. Borrower intends to take us out and PACE with a new SBA loan in 24 to 36 months. This loan is also cross collateralized on primary borrowers' residence. Borrower has good credit and assets.

# CLOSED TRANSACTIONS



## Property 1

**Loan Amount** \$495,000

**Interest Rate** 10.75%

**LTV** 45%

**Loan Term** 2 Years

**Location** Seal Beach, CA



## Property 2

**Loan Amount** \$550,000

**Interest Rate** 11.25%

**LTV** 42%

**Loan Term** 2 Years

**Location** Seal Beach, CA



## Description

Business purpose cash out on non-owner SFR to assist borrowers on expansion of business. Excellent Credit. (Paid Off)

## Description

Business purpose Cash Out non-owner SFR to assist borrowers on expansion of business. Excellent Credit. (Paid Off)

# CLOSED TRANSACTIONS



## Property 1

**Loan Amount** \$665,000

**Interest Rate** 11.25%

**LTV** 35%

**Loan Term** 2 Years

**Location** Seal Beach, CA



## Property 2

**Loan Amount** \$175,000

**Interest Rate** 12%

**LTV** 35%

**Loan Term** 2 Years

**Location** Naples Island Long Beach, CA



## Description

Business Purpose Cash Out Cross Collateralized on two commercial properties and borrowers residence. Excellent Credit. (Paid off)

## Description

Business purpose Cash Out. SFR. Excellent Credit. (Paid off)

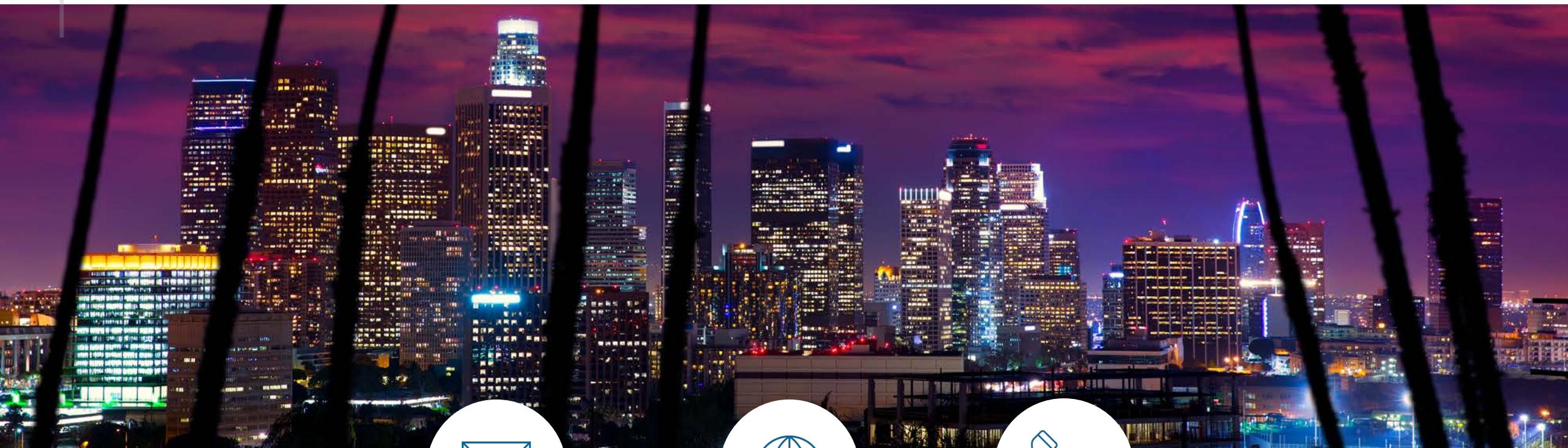
EMAC MORTGAGE FUND, LLC

# CONNECT WITH US



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